

Summary of House-Banked Card Room Audited Financial Statements
For the Fiscal Year End December 31, 2003
(Sorted by Net Income or (Loss))

Licensee	City	----- REVENUES -----			----- EXPENSES -----						Total Expenses	Net Income or (Loss)
		Card Room Revenue (1)	Other Revenue (2)	Total Revenue	Cost of Sales (3)	Operating Department (4)	General & Administrative (5)	Marketing & Promotion (6)	Depreciation & Amortization (7)	Other (Income) or Expense (8)		
Freddie's Club of Renton	Renton	\$9,163,949	1,282,214	\$10,446,163	5,350,283	2,316,639		778,610	189,588		\$8,635,120	\$1,811,043
Silver Dollar Casino - Mt Lk Terrace	Mt Lake Terrace	\$7,659,883	1,128,852	\$8,788,735	898,273	3,163,099	3,013,035		222,156	(159,440)	\$7,137,123	\$1,651,612
Drift-on-Inn Roadhouse Casino	Shoreline	\$6,974,898	3,821,240	\$10,796,138	2,670,844	4,244,003	2,455,994		161,021	(97,182)	\$9,434,680	\$1,361,458
Crazy Moose Casino	Pasco	\$5,296,194	1,715,485	\$7,011,679	666,677		5,078,511		23,293	33,917	\$5,802,398	\$1,209,281
Last Frontier Casino	LaCenter	\$9,534,607	1,968,246	\$11,502,853		6,035,356	2,497,675	995,466	198,454	694,555	\$10,421,506	\$1,081,347
Palace Casino	LaCenter	\$6,655,524	1,051,243	\$7,706,767		6,050,766		481,225	63,176	62,769	\$6,657,936	\$1,048,831
Silver Dollar Casino - Tacoma	Tacoma	\$9,572,258	3,672,426	\$13,244,684	3,530,913	4,355,225	4,234,030		133,120	64,391	\$12,317,679	\$927,005
New Phoenix Casino	LaCenter	\$9,714,697	1,484,452	\$11,199,149		6,342,558	2,769,263	1,033,756	229,048	237,909	\$10,612,534	\$586,615
Chips Casino LaCenter	LaCenter	\$5,785,562	1,105,831	\$6,891,393		6,049,612		322,002	46,363	702	\$6,418,679	\$472,714
Silver Dollar Casino - Tukwila	Tukwila	\$5,104,999	1,192,209	\$6,297,208	988,689	2,534,591	2,205,881		183,576	48,769	\$5,961,506	\$335,702
Chips Casino Lakewood	Lakewood	\$7,029,054	2,159,878	\$9,188,932		3,496,137	5,273,427		196,974	12,641	\$8,979,179	\$209,753
Silver Dollar Casino - SeaTac	SeaTac	\$5,167,079	3,383,140	\$8,550,219	2,616,640	2,838,015	2,538,016		285,718	97,413	\$8,375,802	\$174,417
Grand Central Casino - Tukwila	Tukwila	\$7,766,568	1,551,106	\$9,317,674	635,323	5,790,754	2,069,037	604,014		109,499	\$9,208,627	\$109,047
Royal Casino	Everett	\$5,156,274	1,849,027	\$7,005,301	4,597,960	2,082,559			114,217	213,189	\$7,007,925	(\$2,624)
Iron Horse Casino	Auburn	\$5,921,087	1,517,929	\$7,439,016	1,368,503	3,419,712	2,408,004		72,242	259,208	\$7,527,669	(\$88,653)
Goldie's of Shoreline Casino	Shoreline	\$5,599,015	1,565,282	\$7,164,297	662,294	5,979,567		282,039	335,404	187,762	\$7,447,066	(\$282,769)

NOTE: Only 16 house-banked licensees were required to submit audited financial statements to the commission for 2003. In accordance with WAC 230-40-823, house-banked licensees with card room gross receipts in excess of \$5 million during their fiscal year had to submit audited financial statements to the commission. This rule was changed in April 2004. For fiscal years ending after July 1, 2004, all licensed house-banked card rooms are required to submit either compiled, reviewed, or audited financial statements to the commission within 120 days following their fiscal year end. The type of financial statement required to be submitted is based on card room gross receipts.

The financial statements are to reflect all gambling and non-gambling revenues and expenses of the licensee. In accordance with WAC 230-40-815, licensees are required to present financial statements in accordance with generally accepted accounting principles (GAAP). Licensees are not required to report revenue or expenses in a standardized format. Requiring expenses or revenues to be classified into particular categories or in a standard format would result in financial statements not being prepared in accordance with GAAP. However, some specific expense information, such as gambling-related taxes, can still be obtained from the Quarterly Activity Reports.

- (1) Card Room Revenue is the gross revenue from the card room activity only. No other gambling activity revenues are included.
- (2) Other Revenue is all revenues earned by the licensee other than from the card room, as defined above. This may include revenues from pull tabs, amusement games, food, beverage, and any other services/activities provided by the licensee.
- (3) Cost of Sales expense may include the costs of food and/or beverages.
- (4) Operating Department expenses may include the costs specifically associated with operating the different departments of the licensee, such as the casino, restaurant, lounge, or bowling. The expenses in this category may include salaries, gambling taxes, benefits, or lease expense.
- (5) General and Administrative expenses may include the costs of the overall operation of the business not associated with any department (fixed costs), such as officer wages and related taxes, utilities, rent, or office supplies.
- (6) Marketing and Promotional expenses may include the costs of advertising, promotional giveaways, or costs of complimentary items to public.
- (7) Depreciation and Amortization expenses may include the depreciation and amortization expenses incurred by the licensee.
- (8) Other (Income) or Expenses may include income and expenses not directly classified above. Other income may include interest income, gain on sale of assets, or federal income tax benefit. Other Expenses may include interest expense, loss of disposal of assets, or federal income tax expense.